

ALABAMA DEPARTMENT OF REVENUE  
ADMINISTRATIVE CODE

CHAPTER 810-3-1.1

Operating Rules

TABLE OF CONTENTS

810-3-1.1-.01	Operating Rules
---------------	-----------------

810-3-1.1-.01. Operating Rules.

(1) For purposes of this chapter in which the legislature has adopted a specified section or sections of Title 26, United States Code ("26 U.S.C.") or a federal public law (Pub. L. or P.L.) such references shall be to those specified sections of the Internal Revenue Code, Title 26 of the United States Code, or to the specified federal public law as in effect from time to time.

(2) For all taxable years beginning after December 31, 1984, when any gain, loss, income, basis, earnings and profits, or any other item is to be determined in accordance with the provisions of federal law (Title 26, United States Code or public law) which have been adopted, by reference or otherwise, into Alabama law; such computations shall be applied in the manner provided in the pertinent federal laws and regulations, but shall be applied to the amounts determined under Alabama law.

(3) For example, §40-18-35(10), Code of Alabama 1975 as amended by the Corporate Income Tax Reform Act of 1985, provides a deduction for contributions for corporations to the extent deductible for federal purposes under 26 U.S.C. §170 (as in effect on January 1, 1985). The federal provision limits the deduction to 10% of taxable income. In computing the limitation for Alabama purposes, "taxable income" would be computed under Alabama law - not federal law.

Author: Income Tax Division  
Authority: Section 40-18-1.1, Code of Alabama 1975  
History: Effective December 4, 1992.  
Amended September 18, 1996, effective date October 23, 1996.